

## *Retiree Health Benefits Fund*

### **500-01-Retiree Health Benefits Fund**

<b>Fund: 500, Retiree Health Benefits Fund</b>	
<b>Total Expenditures</b>	<b>\$2,042,781</b>
<b>Revenue:</b>	
General Fund Support	\$1,917,915
Bond Revenue	\$0
Other Revenue	\$0
<b>Total Revenue</b>	<b>\$1,917,915</b>

\*It should be noted that \$124,866 from fund balance is used to support the program in FY 2002.

#### **► Summary of Program**

Fund 500 Retiree Health Benefits provides monthly subsidy payments to eligible retirees of the County to help pay for health insurance. The current monthly summary is \$100 once a retiree reaches the eligibility age of 55.

The Retirement Administration Agency deducts health insurance premiums from monthly retirement payments for those retirees enrolled in the County health insurance program. The \$100 subsidy reduces the premium amounts deducted.

Funding for the Retiree Health Benefits Fund is appropriated from the General Fund.

#### **► Funding Availability and Future Considerations**

Health insurance premiums have risen rapidly in recent years reflecting the increased cost of health care generally. While the retiree health subsidy amount has been increased twice in recent years, the subsidy amount does not increase automatically or proportionately with the increase in premiums. In a recent study, Fairfax County retiree health benefits were found to rank in the bottom quartile of comparative jurisdictions in the area.

Costs related to this fund will continue to increase as the retired population grows and with any changes to improve this benefit for retired employees.

#### **► Funding Methodology**

Funds required are based on the number of retirees eligible for this benefit.

#### **► Status of Program**

Fund 500 Retiree Health Benefits continues providing monthly subsidy payments to eligible retirees of the County to help pay for health insurance. FY 2002 funding is fully obligated to cover the monthly \$100 Health Insurance subsidy for eligible retirees and the salary and fringe benefit of a staff accountant.